

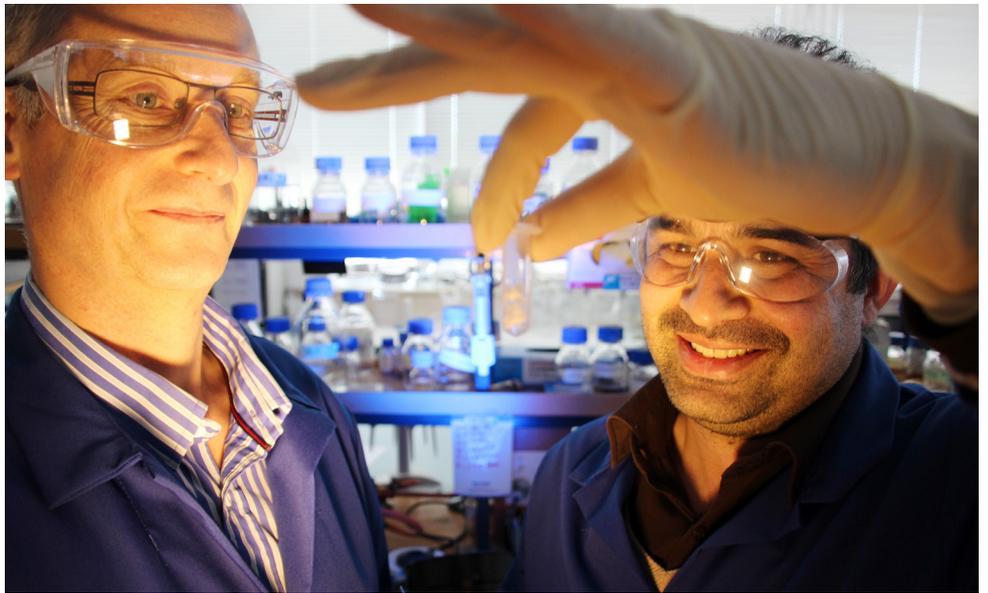


MANAWATU- WHANGANUI

Manawatu-Whanganui's strength is in primary production and agricultural research, driving the local economy and contributing significantly to New Zealand's dairy and meat industries. The region also offers significant food and biopharmaceutical expertise, including FoodHQ, a food industry gateway to scientists from nine New Zealand R&D organisations.

Palmerston North, the region's largest city, is a key logistics centre due to its location, flat land and excellent transport infrastructure. This enables further growth in the region's major sectors as well as offering potential for direct investment in logistics.

As an attractive, well-connected and accessible location, Manawatu-Whanganui has a proven track record as a location for contact centres and other business process support operations, to serve New Zealand or international customers.



REGIONAL HIGHLIGHTS

Agribusiness leader

Global food innovator

Biopharmaceutical production

Logistics and business support nerve centre

AREAS OF OPPORTUNITY

An agribusiness centre of excellence

The agriculture sector underpins the economy of Manawatu-Whanganui. The region is an important producer for the New Zealand meat and dairy industries. This growth and productivity is supported by a strong research base and innovative agritech manufacturers.

Strength in food innovation

The Manawatu-Whanganui region provides a suite of production, manufacturing and biopharmaceutical expertise. Palmerston North, the region's largest city, is home to FoodHQ, which brings together world-class expertise in food innovation and research to benefit the industry.

Contact centre and business support hub

Manawatu-Whanganui has positioned itself as a centre of excellence for contact centre operations and offers an attractive location for international firms to establish or relocate their contact centre operations due

to its affordable living, central location and stable workforce.



A KEY LOGISTICS AND FREIGHT HUB

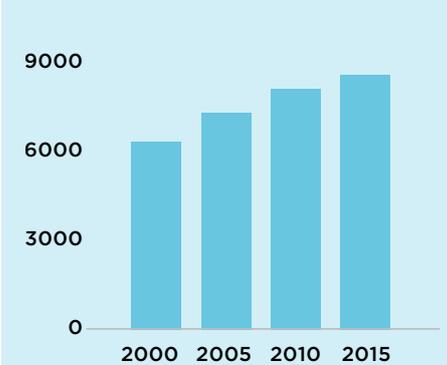
Key attributes of the region

The Manawatu-Whanganui region is strategically located at the geographic centre of New Zealand. Its largest city, Palmerston North, acts as a central hub for the North Island with highway, rail and air connections to major centres and regions on all axes, forming a successful logistics centre.

Agriculture is central to the region's prosperity, with key strengths in dairy and meat production. Palmerston North's location creates a service centre for rural communities stretching from Taumarunui and Taihape in the north through to the city of Whanganui in the west, Dannevirke in the east and Levin in the south. The region is also home to both production and innovation in the primary industries, with Massey University delivering internationally recognised research in agrifood, veterinary medicine and engineering.

Tourism is growing in the west and north of the region, from the city of Whanganui up the famous river of the same name to Mount Ruapehu.

Logistics sector employees



2,000

people involved in the food value chain

32%

increase in agricultural GDP over five years

176,225

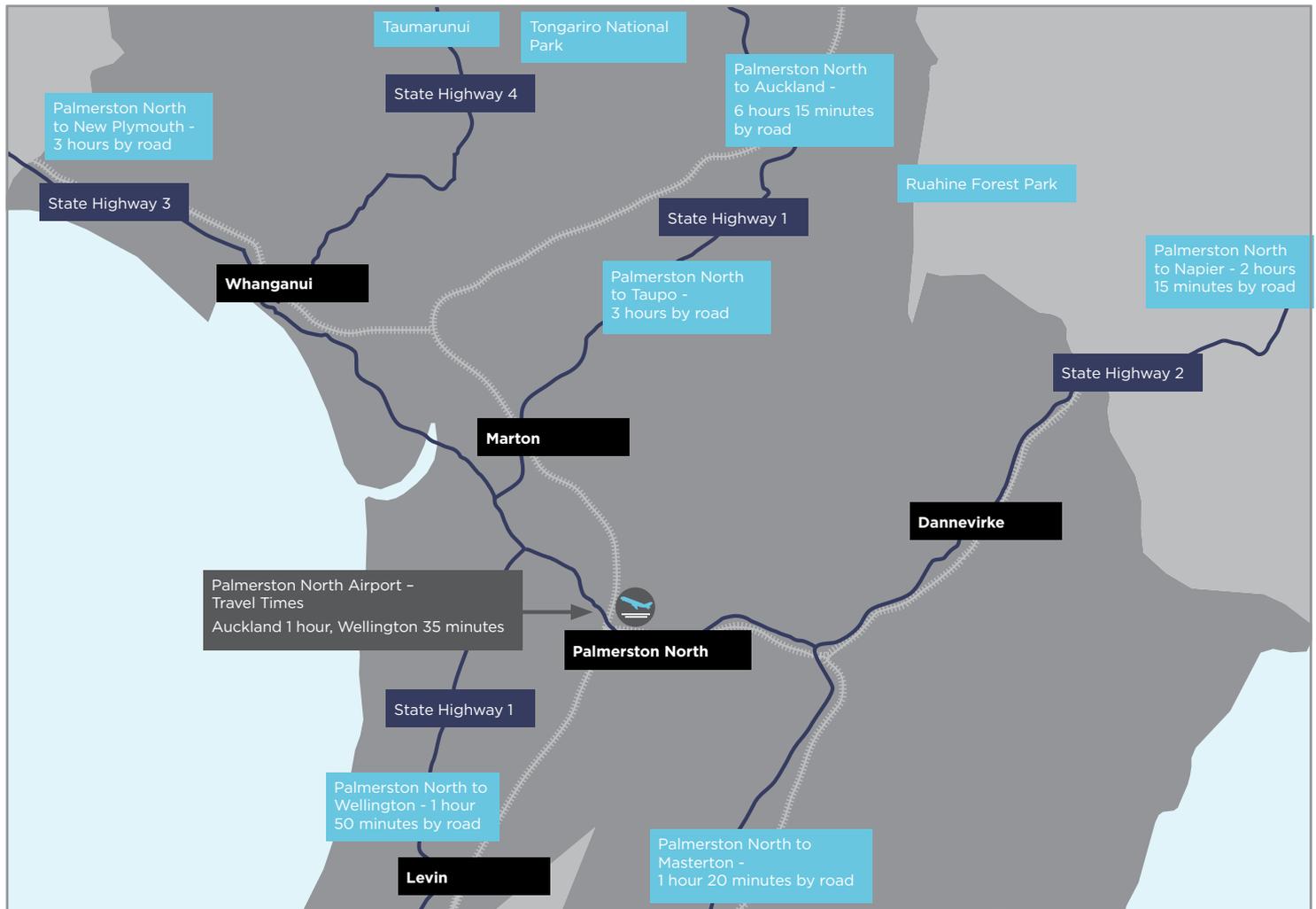
heavy vehicle kilometres travelled

8,460

employees in the logistics sector (transport, postal and warehousing)

23

international and local contact centres





AN AGRIBUSINESS CENTRE OF EXCELLENCE

The agricultural sector underpins the economy of Manawatu-Whanganui. The region is an important producer for the New Zealand meat and dairy industries. The growth and productivity of these industries is supported by a strong agricultural research base in the region and innovative agritech manufacturing firms.

The region's reliable rainfall, good sunshine hours and quality soils create a strong base for agricultural production, making it possible to generate high-quality, sustainable protein for overseas customers.



People

\$31,750 a year

median earnings for primary industries in 2014 (NZ median was \$28,480)

7.8%

of New Zealand's agricultural workforce

Local expertise

education in plant and animal health

National centre for veterinary science

Massey University's Veterinary Teaching Hospital offers the only Degree in Veterinary Science in New Zealand. The University was ranked 25th in the world for veterinary science in 2016.



Infrastructure

1,131,555 hectares

of grassland and tussock for grazing

85%

increase in irrigable land over five years

Diversified economy

successful agricultural production in cropping and livestock

Well placed for feeding demand

The region's natural location enables effective connections to other regions for further processing or export by sea. Palmerston North Airport operates 24 hours.



Business

32%

increase in agricultural GDP over five years

\$1.9 million per week

average value of stock sold at the Feilding livestock sale yards, among the largest in the world

13.3%

of the North Island's vegetable farms

Established centre for international businesses

Manawatu-Whanganui has attracted a number of international food processors and biopharmaceutical firms including Fonterra, ANZCO Foods, Open Country Dairy and Proliant.

Manawatu-Whanganui, a region of choice for agribusiness

Farmland Foods Ltd is a New Zealand family-owned specialised meat processor. Its modern plant employs the latest technology in manufacturing and the business employs 95 staff. The firm is a market-driven convenience food solutions provider, supplying over 200 products to retail supermarkets throughout New Zealand from its purpose-built national distribution centre.

New Zealand Pharmaceuticals (NZP) is a world leader in the manufacture of bile acid pharmaceutical intermediates and active pharmaceutical ingredients. Located near Palmerston North, it supplies high purity bile acid and carbohydrate-based products for therapeutic and diagnostic use. NZP exports 99 percent of its products to more than 180 customers in over 50 countries, with Northeast Asia, Europe and the Americas its key markets. NZP was recently acquired by majority shareholder Archer Capital, one of Australasia's leading private equity firms.

ANZCO Foods is one of New Zealand's largest beef and lamb exporters with sales of \$1.5 billion and more than 3,000 employees worldwide. ANZCO has two processing plants with international market accreditations in Manawatu-Whanganui – one in Marton for lambs and sheep, and another processing plant in Bulls for the highly regarded and regionally reared Riverlands Angus grass-fed cattle.



STRENGTH IN FOOD INNOVATION

Manawatu-Whanganui is a national centre of excellence for food innovation and agribusiness research. The food and agricultural industry is partnering with research centres to create investible opportunities in production, processing, manufacturing and biopharmaceutical product development.

The high concentration of world-class research and business collaboration offers a compelling case for more international companies to locate their agrifood-based operations in the region.



People

\$42,900 a year

median earnings in manufacturing in 2014 (NZ median was \$46,010)

4,920

employees in food product manufacturing

2,000

people involved in the food value chain

National Food innovation Hub – FoodHQ

based in Palmerston North, is New Zealand's international gateway for collaborative food research. It creates innovation across the food value chain.



Infrastructure

Industrial land

four major industrial zones available for development

Connected

by centrally converging national road and rail

Eight

research partners in FoodHQ, a global centre for collaborative food research

Space to establish, scope to grow

Ample land is available for development in the region, including a large-scale greenfield industrial subdivision known as the North East Industrial Park.



Business

Global firms

e.g. Proliant, Mars Petcare and New Zealand Pharmaceuticals

Bio-pharmaceutical centre

for processing animal byproducts

Commercialisation

of ideas through Building Clever Companies (BCC)

A continuing record of excellence

Manawatu-Whanganui has a long tradition of firms associated with food manufacturing and biopharmaceuticals – part of GlaxoSmithKline can trace its origins to Palmerston North in 1873.

Fresh thinking to feed global appetites, grown in Manawatu-Whanganui

FoodHQ is New Zealand's international centre for collaborative food research based in Palmerston North. Its partners include the government research institutes of AgResearch, the Cawthron Institute, Institute of Environmental Science and Research, Plant and Food Research, the Building Clever Companies (BCC) agribusiness incubator and Riddet Institute, Fonterra, Massey University, Palmerston North City Council and Manawatu District Council.

Speirs Foods Limited is a wholly owned subsidiary of Speirs Group and has its operation based in Marton, close to Whanganui. The primary business of Speirs Foods is the supply of salad items into the retail sector in New Zealand. Speirs Foods produces and delivers into supermarkets nationwide, six days per week. Its processing, sales and marketing and distribution functions are all based in Marton.

Prepared Foods Processing Limited is a Māori-owned food manufacturer that has operated in the Manawatu for over 45 years. Prepared Foods is a fully export licenced facility accredited to ISO9001-2008 and is Halal certified. The company specialises in the manufacture of abalone products and shelf-stable ready to eat meals with the capability to design and develop new product concepts for private label customers. Local support is leveraged from Massey University and Plant and Food Research.



CONTACT CENTRE AND BUSINESS SUPPORT HUB

The Manawatu-Whanganui region has positioned itself as a compelling location for contact centres and business support functions. Its location keeps it close to the pulse of government agencies and corporates in Wellington, along with excellent links to New Zealand's other main centres and high-speed digital connections to international markets.

Contact centres and business support operations in the region also benefit from an attractive cost structure and a relaxed regional lifestyle for local and relocated staff.

23 international and local organisations have chosen to base their contact centre and business support activities in the region, capitalising on its cost competitiveness, stable work force, low risk and flexible business models.



People

\$19,450 a year

median earnings for administrative and support services (NZ median is \$23,070)

1,200

contact centre staff in the region

Expected growth

for 150-seat contact centres

Quality workers on call

Palmerston North has a good workforce profile for contact centres, with a large student population and the presence of central government agencies.



Infrastructure

Digital infrastructure

with ultra-fast broadband rolling out across the region

Two airports

with international connections via Auckland and Wellington

15+ years

since the Manawatu Contact Centre Cluster began operating

Robust infrastructure for critical tasks

The region supports the national emergency centre for New Zealand. During the 2011 Christchurch earthquake the cluster managed phone calls for missing persons, donations and the Red Cross.



Business

Contact centre cluster

includes large multinationals such as Toyota, Drake International and AIG

Online trading centre

major online retailers service Australasia from the Manawatu region

23

international and local contact centres

Well placed for growth

International and national firms have capitalised on the region's advantageous location to develop a mature contact centres sector.

Contact centres and business support – established hubs, future potential

New Zealand Post's Manawatu Mail Centre is based in Palmerston North and services the lower North Island of New Zealand, processing mail from Wellington, Gisborne, Hawke's Bay and Taranaki. New Zealand Post relocated and expanded the existing mail centre as part of its consolidation to three national centres in 2014, creating 90 new roles locally. The revamped centre serves as a crucial gateway to provincial centres, and efficiently serves customer and community needs as part of New Zealand Post's adaptation to a changing market.

Levno, a young agritech company established in 2013, has developed a unique monitoring system for milk, water and fuel. The intuitive Levno Dashboard lets the farmer know exactly what is flowing across any metered line: into and out of tanks, into troughs, to cowshed washing systems and to irrigators. Besides farmers, the system is of interest to horticulturists, agricultural contractors, and transport and fuel storage companies. Levno's sales and customer service centre is based in Palmerston North.

The **Manawatu Contact Centre Cluster** is made up of a group of contact centres from an array of diverse businesses around the Manawatu area including telecommunications, local government, retail, and educational institutions. The purpose of the cluster is to develop the depth and breadth of the talent pool, develop the quality of contact centres and grow the business globally.

WHO HAS INVESTED IN MANAWATU-WHANGANUI?



MARS Incorporated (United States)

MARS is one of the world's leading manufacturers of chocolates and candy, as well as petcare, food, and drink products. Headquartered in Brussels, Belgium, MARS Petcare is one of the world's leading petcare providers, owning 35 brands including the billion-dollar Pedigree, Whiskas and Royal Canin brands, and employing more than 35,000 associates across 50 countries.

MARS Petcare New Zealand operates a pet food plant in Whanganui, and has invested \$16 million in the facility's development in recent years. The plant is part of MARS' overall strategy to leverage the quality of local raw materials, deliver high quality and value to customers and enhance its global brands and expertise.



The Lauridsen Group – Proliant Biologicals (United States)

US-based Proliant Biologicals, a manufacturer of animal-derived proteins, produces a variety of grades of bovine serum albumin (BSA) for the diagnostic, life-science research, biopharmaceutical and veterinary vaccine industries. Proliant opened a new \$30 million manufacturing plant in Feilding in 2016, and has secured a 12-year supply contract with Silver Fern Farms to ensure a long-term, high-quality raw material supply.

Proliant Health & Biologicals is the world's largest collector and processor of bovine blood and its derivatives. The company is part of the Lauridsen Group, which has more than \$1 billion in sales, seven operating companies and 60 manufacturing locations worldwide.



Toyota Motor Corporation (Japan)

Toyota Motor Corporation is the world's largest automotive manufacturer, and in 2012 became the first to produce more than 10 million vehicles a year. It manufactures vehicles under the Toyota brand along with four other core marques, and also has interests in global vehicle manufacturers including Daihatsu, Fuji Heavy Industries (Subaru), Isuzu, Yamaha and Tesla. Toyota manufactures across 28 countries, sells vehicles in 170 territories and employs over 340,000 people worldwide.

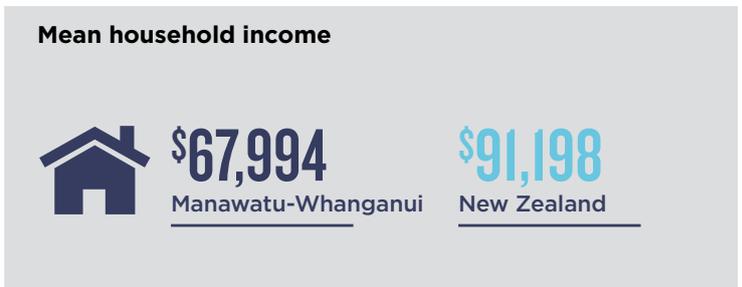
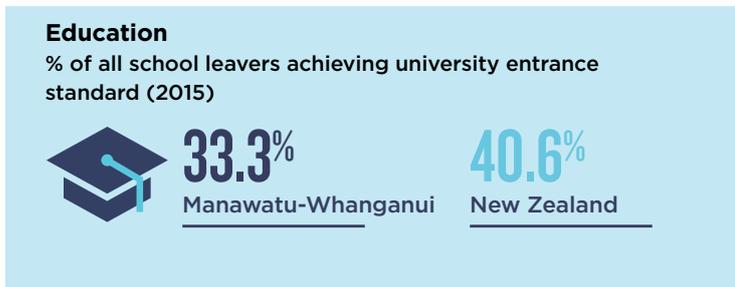
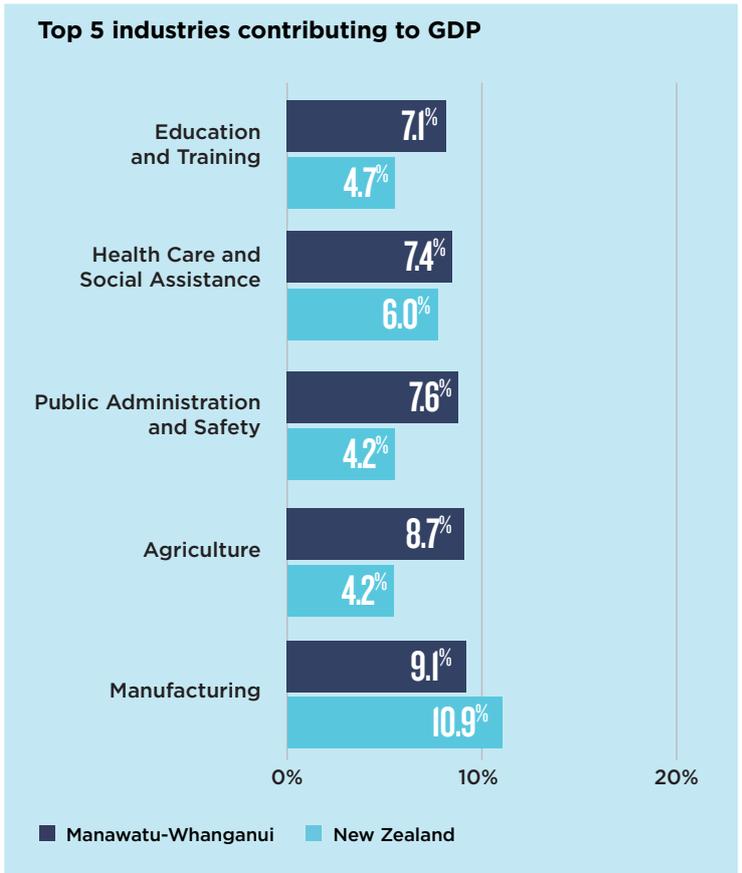
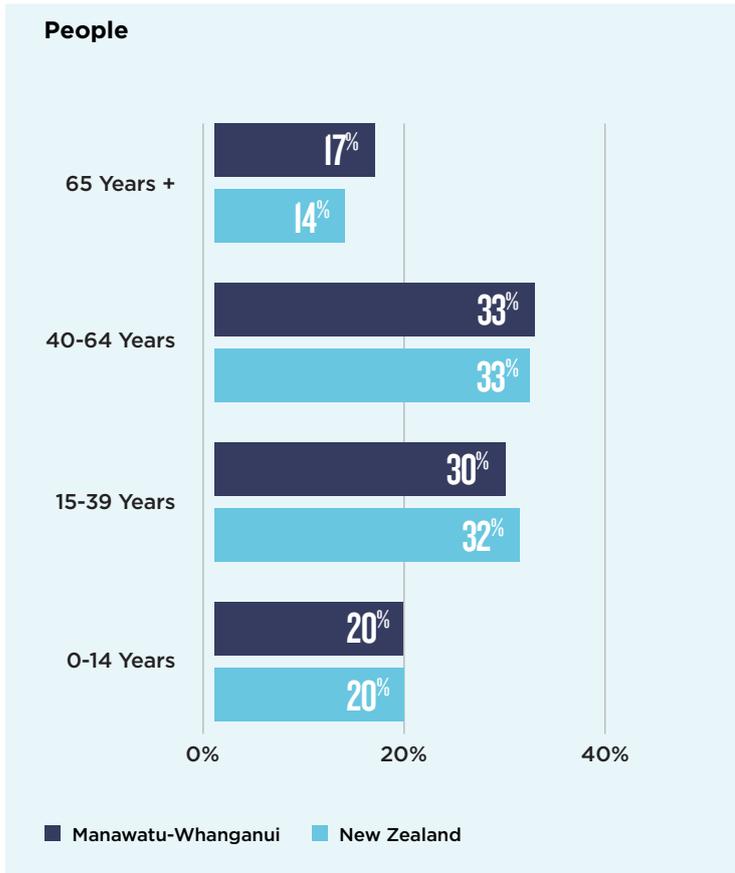
Toyota New Zealand opened a parts warehouse in Palmerston North in 1977, which it expanded into a national customer service centre in 1991. The site now employs around 160 people and occupies more than 8 hectares. Toyota's operation benefits from convenient road and air transport for overnight order fulfilment, low operating costs, and a ready supply of skilled employees and land for physical expansion.



EziBuy (Australia)

EziBuy was founded in 1978, and is the largest fashion and homeware multichannel store in Australasia. EziBuy mails over 23 million catalogues and processes over 1.75 million phone, postal and online orders every year. The company's head office, main retail outlet and international call centre are all based in Palmerston North.

HOW MANAWATU-WHANGANUI COMPARES



Spearhead is an innovative programme responsible for attracting strategically important business and investment to the Manawatu-Whanganui region. It provides a professional and efficient gateway to global investment opportunities across the region.

Spearhead works closely with key staff across the region's eight councils and economic development agencies, developing teams throughout the organisations to ensure smooth opportunity progression. It provides connections to the programmes and services those organisations offer to attract, recruit, retain and grow businesses, and maintains key development partnerships to support the region's organisations.

Economic development strategy

Spearhead works to help the Manawatu-Whanganui region:

- Lead New Zealand's sustainable agribusiness land-based production
- Function as a world centre for food innovation, underpinned by its strength in primary production and agricultural research
- Maximise the strategic advantages of its central hub location.

How we help investors

Spearhead works both with and through its partners to:

- Facilitate the establishment of new business within the region
- Support smooth company and staff relocation
- Enable and support the expansion of existing local businesses.

Spearhead facilitates the delivery of a range of business development and upskilling programmes with individual business owners or groups.



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Region-led initiatives

Spearhead was instrumental in attracting and securing the world's leading producer of bovine serum albumin (BSA) to build a greenfield processing plant in Feilding. The \$30 million plant was Proliant's first built for BSA production outside the United States.

Opened in early 2016, the Feilding plant employs 30 staff in high-end science or engineering jobs and is expected to contribute more than \$90 million to the economy during the next ten years, benefiting the Manawatu-Whanganui region as well as Proliant's global business and shareholders.

This document was produced by New Zealand Trade and Enterprise, New Zealand's international business development agency. www.nzte.govt.nz

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ISBN 978-0-908344-35-2 December 2016